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# Emergency Water Assistance During Drought: Federal Non-Agricultural Programs

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## Summary

Drought conditions often fuel congressional interest in federal assistance. While drought planning and preparedness are largely individual, business, local, and state responsibilities, some federal assistance is available to mitigate drought impacts. While much of the federal assistance is targeted at mitigating impacts on the agricultural economy, other federal programs are authorized to provide non-agricultural water assistance. Interest in these non-agricultural programs often increases as communities, households, and businesses experience shrinking and less reliable water supplies. Authorized federal assistance is spread across a variety of agencies, and each has limitations on what activities and entities are eligible and the funding that is available.

***Rural Utilities Service (RUS):*** The U.S. Department of Agriculture's RUS provides grants and loans for rural water systems in communities with less than 10,000 inhabitants; its programs are for domestic water service, not water for agricultural purposes. Some of the programs are tailored to emergency situations, while others may prioritize loans and grants for communities and households facing drought-related declines in water quantity or quality. As of mid-February 2014, around \$1.3 billion in loans and \$370 million in grants are available for rural community water and waste systems. While these funds are provided for assisting with rural water systems broadly, systems affected by drought may receive priority. Also for FY2014, the RUS Household Water Well System Grants had received \$1 million in appropriations, and the Administration had reprogrammed to the RUS Emergency Community and Water Assistance Grants program \$3 million for California's rural communities.

***Bureau of Reclamation:*** Reclamation's authorities to assist with emergency water supplies and conservation stem primarily from the Reclamation States Emergency Drought Relief (RSEDR) Program. RSEDR consists of various authorities, including direct Reclamation water assistance to reduce drought losses, water contract authority, technical assistance, drought planning grants, and actions to facilitate water purchases and transfers. Reclamation can provide much of this assistance to water users (including municipalities and water districts), private entities, tribes, and states. Most of the RSEDR program's authority is limited to the 17 western states and Hawaii. RSEDR emergency actions often are provided by Reclamation at 100% federal expense, although some nonfederal reimbursement is authorized. These emergency actions are available to communities and water providers, regardless of their size, but are prioritized by need and congressional direction. As of mid-February 2014, RSEDR funding was \$0.5 million for FY2014.

***Army Corps of Engineers (USACE):*** The Corps has authority to assist emergency water supplies and their transport when state resources are exceeded and a public health threat is imminent. This authority has largely been used for assisting tribes with imminent drinking water supply issues. These activities have generally been funded through reprogramming of available agency funds. The agency also has authority to contract for provision of limited quantities of water (if available) from its reservoirs for municipal and industrial purposes.

***Role of States and Other Federal Authorities.*** If a drought's effects overwhelm state or local resources, the President, at the request of a governor or tribal governing body, is authorized under the Stafford Act (42 U.S.C. 5121 et seq.) to issue major disaster or emergency declarations resulting in federal aid to affected parties. Since the 1980s, however, requests by U.S. states for Stafford Act drought-related declarations and related assistance for drinking water supplies have been denied. The U.S. Secretary of Agriculture has overseen most federal drought response through agricultural disaster assistance.

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## **Drought and Emergency Water Supplies: A Primer**

Droughts raise several issues for Congress, including how to measure and predict drought, how to prepare, and how to coordinate federal agency actions responding to drought. In addition to resulting in agricultural losses, droughts also can affect the water supplies of individuals, communities, industries, species, and other services. Although many water allocation and other water management responsibilities lie largely at the state or local level, stakeholders may seek federal assistance with non-agricultural water supplies during droughts. Congress has created various programs to assist with non-agricultural water supplies for communities, households, and fish and wildlife habitat. These programs are spread across the jurisdictions of multiple agencies and congressional committees and vary widely in their use and funding. Current drought conditions, especially in western states, and exceptional and extreme drought conditions in portions of several states, including much of California, may test the effectiveness of these programs and raise questions about their role in federal drought response and policy.

## **Federal Drought and Emergency Water Assistance**

States, along with local governments and water providers, generally are responsible for preparing and planning for drought conditions. Often states take actions guided by state-level drought plans.<sup>1</sup> Some states also have state assistance and authorities that are used to alleviate the impacts of drought conditions. For example, some states (e.g., California, Idaho, and Texas) have instituted water banks and water transfer mechanisms to deal with water supply shortages.

The de facto federal policy since the 1980s has been that the U.S. Secretary of Agriculture takes the lead in responding and declaring eligibility for federal agricultural disaster assistance, including drought-related disasters. A declaration of an agricultural disaster area by the Secretary of Agriculture triggers the availability of multiple agricultural assistance programs, most notably the programs of the Farm Services Agency (FSA), and may trigger availability of other federal programs, such as the Economic Injury Disaster Loans of the Small Business Administration (SBA).<sup>2</sup> Most of these programs are focused on mitigating the economic impacts of drought on agriculture or water-dependent small businesses. The federal programs authorized to assist with non-agricultural water supply emergencies are implemented largely independently from these agriculture disaster programs at FSA and SBA.

The federal agencies authorized to assist with non-agricultural water supplies emergencies are:

- U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS), through various water system loan and grant programs (FY2014 funds: \$1.3 billion in loans, \$374 million in grants). While most of these funds are provided for

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<sup>1</sup> The National Drought Mitigation Center posts online copies of drought management, mitigation, or response plans for states and localities, nationwide; see <http://drought.unl.edu/Planning/PlanningInfobyState.aspx>.

<sup>2</sup> For more information on these loans, see CRS Report R41309, *The SBA Disaster Loan Program: Overview and Possible Issues for Congress*, by Bruce R. Lindsay. Nonfarm businesses, agricultural cooperatives, businesses engaged in aquaculture of less than 500 employees and most private, nonprofit organizations affected by drought may qualify for loans of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

assisting with rural water and waste systems broadly, systems and households affected by drought may receive a priority.

- Department of the Interior’s Bureau of Reclamation (Reclamation), through activation of the agency’s Reclamation States Emergency Drought Relief Program assistance and contract authorities (FY20014 funds: \$0.5 million).
- Department of Defense’s U.S. Army Corps of Engineers, through its emergency drinking water and its water contract authorities (no funds specified for FY2014).

Additional funds may become available through reprogramming or supplemental appropriations. Some authorized drought assistance programs have never been implemented, while others are used in limited circumstances, and others operate almost annually. For example, while Reclamation’s direct assistance with well construction is regularly used (albeit limited by available appropriations), the Corps’ drought emergency water assistance has been employed in more limited circumstances, primarily for tribes, due to the high thresholds for its use and nonfederal funding requirements.

**Figure 1** provides a summary of the RUS, Reclamation, and Corps programs and authorities and what triggers the availability of assistance. Numerous other federal programs and activities may assist in reducing long-term water use in urban, rural, agricultural, and industrial uses. These actions to promote water conservation and efficiency are beyond the scope of this report.<sup>3</sup>

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<sup>3</sup> For a discussion of USDA programs assisting with agricultural water conservation, development, and use, see CRS Report R40763, *Agricultural Conservation: A Guide to Programs*, by Megan Stubbs. For a discussion of federal programs that assist with municipal water systems, including those that may assist with water reuse and desalination facilities, see CRS Report RL30478, *Federally Supported Water Supply and Wastewater Treatment Programs*, coordinated by Claudia Copeland.

**Figure I. Select Federal Non-Agricultural Emergency Water Assistance Programs**

Agency	Trigger for availability of program or authority	Geographic eligibility	Program	Eligible entities
USDA - Rural Utilities Service	Rural water assistance available through competitive application process (emergency situations may receive priority)	U.S.	Community Water and Waste System Grants and Loans	R
			Emergency Community Water Assistance Grants (to secure water after decline of quality or quantity)	R
			Household Water Well System Grants (grants to nonprofits, lending to rural households)	I
Bureau of Reclamation	Secretary of the Interior approves request by Governor for availability of the Reclamation States Emergency Drought Relief (RSEDR) program or automatically available within area with approved RSEDR drought contingency plan	17 western states and Hawaii	Reclamation Activities to Mitigate Drought Losses and Damage (e.g., temporary works, wells, water purchases)	T W
			Loans for Water Activities to Mitigate Drought Losses and Damages	T W
			Provisions or Purchase of Water to Mitigate Drought-Related Fish and Wildlife Losses	FW
			Temporary Water Contracts & Nonfinancial Assistance to Facilitate Water Purchases and Transfers	T W
U.S. Army Corps of Engineers (USACE)	Upon request by Governor, USACE identifies area as drought distressed	U.S.	Emergency Water Transport and Well Construction	T W F
			Temporary Contracts for Municipal and Industrial Water Withdrawal from Core Reservoirs	S W I P
TYPICAL FEDERAL FUNDING MECHANISMS	Funding regularly received through annual appropriations, at times funds added through reprogramming and supplementals	ELIGIBLE ENTITIES	T Tribes	I Individuals
	Funding principally through reprogramming and supplementals	S States	P Private concerns	
	Never Funded	W Communities, public or private water providers	F Farm business, ranchers	
	Temporary and Emergency Activities (no fiscal assistance)	R Rural communities (less than 10,000 residents)	FW Fish and wildlife entities	

Source: CRS. Figure is best viewed in color.

## USDA Rural Utilities Service<sup>4</sup>

RUS provides grants and loans for rural community and household water. Some of the programs are tailored for emergency situations, while others may prioritize loans and grants for rural communities and households facing drought-related declines in water quantity or quality. For RUS programs, rural communities are often defined as those with populations less than 10,000. The RUS programs that may assist in addressing drought-related rural water issues include:

- **Water and Waste Disposal Grants and Loans:** This RUS program provides grants and loans for rural community water systems. RUS may choose to prioritize during its competitive selection process projects for communities affected by droughts. While this is a broad program not focused on drought or emergencies, some of its funds in FY2014 may assist drought-affected communities (FY2014 funds: \$1.3 billion in loans and \$370 million in grants available). While most of these funds are provided for assisting with rural community water and waste systems broadly, systems affected by drought may receive a priority.
- **Emergency Community Water Assistance Grants:** This RUS program provides grants specifically to rural water systems experiencing an emergency resulting from a significant decline in quantity or quality of drinking water (FY2014 funds: \$3 million reprogrammed by Administration for use in California communities, no other funds available).
- **Household Water Well System Grants:** This RUS program provides grants to nonprofit organizations for operating lending programs for the refurbishing of household water well systems in rural areas. Loans are to be made to individuals with low or moderate incomes. Some of this program's FY2014 funds may assist drought-affected households (FY2014 funds: \$1 million).

More information on these RUS rural water programs is available in the **Appendix**.

## Bureau of Reclamation<sup>5</sup>

Reclamation's authorities to assist with emergency water supplies and conservation stem primarily from the Reclamation States Emergency Drought Relief (RSEDR) Program (43 U.S.C. 2201, et seq.). The RSEDR program consists of a number of different authorities, including direct Reclamation water assistance and loans to reduce drought losses through temporary measures (except for certain wells),<sup>6</sup> water purchases, temporary water contracts, drought planning grants, actions to facilitate water purchases and transfers, and technical assistance. Reclamation can provide much of this assistance to water users (including municipalities and water districts), private entities, tribes, and states. Most of the RSEDR program's authority is limited to the 17 western states<sup>7</sup> and Hawaii, with the exception being that technical assistance is available

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<sup>4</sup> For CRS assistance with RUS, contact Tadlock Cowan, Analyst in Natural Resources and Rural Development, 7-7600.

<sup>5</sup> For CRS assistance with Reclamation, contact Betsy A. Cody, Specialist in Natural Resources, 7-7229.

<sup>6</sup> Construction activities are limited to temporary facilities, except that wells drilled to minimize losses and damages from drought can be permanent.

<sup>7</sup> Reclamation is generally authorized to construct projects only in the 17 western states (Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, (continued...))

nationally. RSEDR emergency actions often are provided by Reclamation at 100% federal expense, although some nonfederal reimbursement is authorized. These emergency actions are available to communities and water providers, regardless of their size, but are prioritized by need and congressional direction. As of mid-February 2014, RSEDR funding was \$0.5 million for FY2014.

Not all of the authorized activities have been implemented. For example, the authority for Reclamation to provide loans for nonfederal water entities to undertake activities to reduce losses and damages from droughts has never been used. Reclamation's drought relief program received \$0.5 million in appropriations for FY2014.<sup>8</sup> More information on Reclamation's direct assistance is available in the **Appendix**.

Reclamation has other authorities to address variability in hydrology that are not specific to drought or emergency response. For example, Reclamation has authorities, which are now coordinated under the Department of the Interior's WaterSMART efforts,<sup>9</sup> to promote water resources management preparedness, sustainability, and water and climate variability resilience through improved knowledge and information and mitigation actions such as water and energy efficiency, conservation, and planning. These do not appear in

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(...continued)

Utah, Washington, and Wyoming), unless otherwise directed by Congress.

<sup>8</sup> Activities are funded as part of Reclamation's Emergency Drought Relief Program, which is typically a line item in Reclamation's annual appropriations, which typically are provided through the Energy and Water Development Appropriations Act, or through supplemental appropriations (e.g., \$40 million provided by American Recovery and Reinvestment Act, P.L. 111-5).

<sup>9</sup> Much of the program has its roots in the SECURE Water Act (Subtitle F, Title IX of the Omnibus Public Land Management Act of 2009, P.L. 111-11, 42 U.S.C. 10364).

**Figure 1**, since they are not designed to function as emergency response programs and were not targeted specifically at drought or drought emergencies and disasters. WaterSMART grants typically are available for water conservation and water and energy efficiency projects, including system optimization, and advanced water treatment. To date, most grants have been used for water reuse projects (e.g., recycling of urban wastewater),<sup>10</sup> irrigation districts' water efficiency improvements, water banking, and watershed basin studies and activities. These grants typically cover only a portion of project costs (25% to 50% of project costs).<sup>11</sup>

## Army Corps of Engineers

The Corps (USACE) has authority to assist in the provision and transport of emergency water supplies when state resources have been exceeded and there is an imminent public health threat. While USACE is authorized to assist political subdivisions, farmers, and ranchers with non-irrigation water, this authority has largely been used for assisting tribes with drinking water supplies. These activities have generally been funded through reprogramming of agency funds. The agency also has authority to participate in temporary contracts to provide limited quantities of water (if available) for municipal and industrial purposes (33 U.S.C. 708).<sup>12</sup> More information on the Corps' provision and transport of emergency water supplies is available in the **Appendix**.

### Federal Assistance in the Late 1970s and Today

During the 1976-1977 drought that affected numerous western states, Congress provided additional appropriations to multiple federal agencies to assist in responding to the drought's impacts. This funding consisted of \$175 million (in 1977 dollars) for the Economic Development Administration (EDA), \$130 million for the Bureau of Reclamation, and \$100 million for agricultural assistance. While many of the activities that were funded by Reclamation and the agricultural assistance are eligible for assistance by current federal programs, there is no directly comparable program today to the EDA activities. The EDA Community Drought Relief program targeted its grants and loans at communities and cities with populations over 10,000 people; its basic goals were to augment community water supplies, aid in purchase and transport of water, and promote water conservation. Reclamation can assist eligible communities of any size and other eligible entities in the 17 Reclamation states and Hawaii with qualifying emergency measures for wells, temporary works, and conservation measures through its Reclamation States Emergency Drought Relief Program, subject to the availability of appropriations (\$0.5 million in FY2014). The U.S. Environmental Protection Agency has no emergency water assistance program for drinking water systems experiencing drought conditions.

**Source:** California Department of Water Resources, *The 1976-1977 California Drought: A Review*, May 1978.

<sup>10</sup> Support for specific Reclamation water reuse and recycling projects, including certain pilot and demonstration projects, is authorized under Title XVI of P.L. 102-575, as amended. In recent years, requests for Title XVI funding has been requested and appropriated under the umbrella of the WaterSMART program.

<sup>11</sup> In February 2014, the Administration announced \$7 million for a Reclamation funding opportunity (with an invitation to apply directed at California water or power entities) for agricultural water conservation. Bureau of Reclamation, WaterSMART Program Funding Opportunities Fiscal Year 2014, <http://www.usbr.gov/WaterSMART/docs/2014WaterSMARTFundingOpportunities.pdf>; for more information, see <http://www.grants.gov/web/grants/search-grants.html?keywords=R14AS00021>.

<sup>12</sup> The agency has chosen to limit the authority of Corps District Engineers to enter into contracts authorized by 33 U.S.C. 708 to 99 acre-feet. Although not the subject of this report, the Secretary of the Army also has the authority to contract for on an interim basis the delivery of water for irrigation (43 U.S.C. 390); only water that was designated for municipal and industrial purposes which is not currently under contract is eligible for these interim contracts.

## **Drought Disasters: Federal Declarations and Programs**

Additionally, if the effects of a drought overwhelm state or local resources, the President, at the request of the state governor or tribal governing body, is authorized under the Stafford Act (42 U.S.C. 5121 et seq.) to issue major disaster<sup>13</sup> or emergency declarations<sup>14</sup> resulting in federal aid to affected parties. However, requests by U.S. states for Stafford Act drought-related declarations and related assistance since the 1980s have been denied.<sup>15</sup> The infrequency of presidential domestic drought declarations increases the uncertainty about the circumstances under which such a declaration is likely to be made. Therefore, the emergency assistance typically available to mitigate and respond to the impacts of drought on non-agricultural water supplies is primarily through the USDA's Rural Utilities Service, the Bureau of Reclamation's Emergency Drought Relief Program, and in limited circumstances the U.S. Army Corps of Engineers emergency water authorities. Since FEMA has deferred to USDA on drought declarations over the past three decades, there are no sections of the Stafford Act or regulations or policy guidance documents that address, or even appear to lend themselves to, a prolonged drought event as opposed to a disaster incident. On February 14, 2014, the President announced multiple actions to address drought conditions in California, including accelerating and reprogramming funds to assist with water conservation and irrigation using existing authorized programs; no Stafford Act declaration was made.

## **Federal Infrastructure and Drought Information**

Both the Bureau of Reclamation and the U.S. Army Corps of Engineers also alter the operations of their water resources facilities in response to droughts. Operations of federal water resource facilities, particularly reservoirs behind dams, may help meet water supply needs during droughts, yet can also be vulnerable to the effects of droughts. Federal dams, particularly in the West, were constructed in part to provide multi-year storage to help with variations in seasonal and annual precipitation. Sustained hydrological drought nonetheless affects operations of federally managed reservoirs, dams, locks, hydroelectric facilities, and other components of the nation's water infrastructure. The extent to which operational changes are authorized and can be implemented to reduce the water supply impacts of drought often is limited by the federal infrastructure's role in meeting multiple project purposes and satisfying legal requirements.

Recent legislation has expanded Reclamation's authority for its drought-related operations. The Consolidated Appropriations Act of FY2014 (P.L. 113-76) expanded the Secretary of the

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<sup>13</sup> FEMA has published a listing of the factors at 44 CFR 206.48 that are considered when evaluating a major disaster request by a Governor.

<sup>14</sup> Emergency declarations are intended to provide short-term emergency assistance to save lives and protect property and to lessen the threat of a more catastrophic event. Given the immediacy of the work under an emergency declaration, an abbreviated palette of assistance programs are available for emergency declarations compared to assistance available under a major disaster declaration. For example, while an emergency declaration can provide debris removal assistance, it cannot offer any forms of permanent, infrastructure repair work. Similarly, while emergency temporary housing is available through Section 408 of the Stafford Act, other programs assisting families and individuals are not. FEMA has not published a list of factors for emergency declarations similar to the list that is available for evaluating a governor's request for a major disaster declaration.

<sup>15</sup> The last presidential drought or water shortage disaster declaration for a U.S. state was for New Jersey in 1980.

Interior's authority to participate in nonfederal groundwater banking in California, and waived certain reporting provisions for transfer of irrigation water among selected federal water contractors, while also directing Reclamation and the Fish and Wildlife Service to expedite "programmatic environmental compliance" to facilitate Central Valley Project (CA) water transfers. The same legislation also provided direction to the Corps regarding operation of its facilities during drought. The explanatory report accompanying P.L. 113-76 directed the Corps to work with communities to increase water storage in winter months, without significantly increasing flood risk, to assist those facing drought conditions.

The federal government is also a significant provider of drought information. Congress enacted the National Integrated Drought Information System (NIDIS) Act of 2006 (P.L. 109-430), which established NIDIS within the National Oceanic and Atmospheric Administration (NOAA) to improve drought monitoring and forecasting abilities. NIDIS coordinates the collaborative Drought Monitor and other drought forecasting information, which are used by a variety of stakeholders to plan their actions and investments. The U.S. Geological Survey also provides drought-related water information through its hydrologic monitoring network. This information is used by communities and states to plan water withdrawals and diversions, assess needs for water-use restrictions, and anticipate or respond to drought-related environmental stresses (e.g., fish kills, saltwater intrusion into aquifers, and habitat degradation from high water temperatures).

## **Federal Drought Coordination and Policy**

During the widespread drought conditions of 2012 and early 2013, the National Disaster Response Framework was used by the Secretary of Agriculture to coordinate the federal drought response. The National Disaster Recovery Framework (NDRF) is the federal framework followed to assist disaster-affected communities to recover from a disaster.<sup>16</sup> An outgrowth of that experience was the creation in November 2013 of the National Drought Resilience Partnership to align federal drought policies across the government and to facilitate access to drought assistance and information sharing across all levels of government.<sup>17</sup> While the partnership was anticipated to function largely as part of the President's Climate Action Plan to help prepare for drought, the western water supply conditions in 2014 have resulted in the partnership playing a coordinating role in federal drought response.<sup>18</sup>

The economic and social consequences of a water supply emergency can be costly to individuals, communities, businesses, and governments. Early actions may help avoid a non-agricultural water supply emergency resulting from drought. These actions can range from rehabilitating wells to improve their reliability, to reducing leaks in conveyance and distribution systems, implementing

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<sup>16</sup> The NDRF, which was completed in September 2011, identifies capabilities necessary to assist communities affected by a disaster to effectively recover, including, but not limited to, rebuilding infrastructure; providing adequate interim and long-term housing; restoring health, social, and community services; promoting economic development; and restoring natural and cultural resources. For more information on the NDRF as part of the national preparedness system, see CRS Report R42073, *Presidential Policy Directive 8 and the National Preparedness System: Background and Issues for Congress*, by Jared T. Brown.

<sup>17</sup> For more information on the partnership, see <http://www.drought.gov/drought/content/ndrp>.

<sup>18</sup> For more on the Administration's actions in response to the California drought, see The White House, "Fact Sheet: President Obama Leading Administration-wide Drought Response," press release, February 14, 2014, <http://www.whitehouse.gov/the-press-office/2014/02/14/fact-sheet-president-obama-leading-administration-wide-drought-response>.

water rationing, and other water conservation measures. Consequently, a recurrent policy issue is how to effectively and efficiently mitigate drought's water supply impacts across the local, state, and federal agencies. How well current programs help to prevent drought conditions from becoming drought emergencies and drought disasters is one policy question. Another is whether the fragmentation of existing authorizations results in duplication, waste, gaps, and perverse incentives to prepare for drought. The broader policy struggle is how to transition from drought assistance to drought risk reduction.

## **Appendix. Fact Sheets for Federal Programs Providing Emergency Water Assistance**

### **Rural Utilities Service: Water and Waste Disposal Grants and Loans<sup>19</sup>**

#### *Form of Assistance, Condition of Assistance, and Eligibility Requirements*

The Rural Water and Waste Disposal Account, administered by RUS, supports construction and improvements to rural community water systems (i.e., drinking water, sanitary sewerage, solid waste disposal, and storm drainage facilities). The program is not exclusively a drought program; however, water systems affected by drought may receive priority during implementation. Eligible rural areas may include an area in any city or town that has a population of less than 10,000 residents and where the projects are needed to meet applicable health or sanitary standards. Applicants must be unable to obtain sufficient credit elsewhere at reasonable rates and grants are made only if needed to reduce user charges to a reasonable level given the median household income for the area. Direct loans carry interest rates of 5% or less.

#### *Required Approvals and Application and Selection Provision*

The program is generally available and receives regular appropriations. No specific trigger is required for eligible entities to apply for assistance. Applications for direct loans, guaranteed loans, and grants are made with state Rural Development offices.

#### *Authority and Appropriations*

This assistance can be provided under the authority of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926). Funding for the program is allocated to state rural development offices where state directors set priorities particular to the rural needs of their state. Loan authorization level for direct loans is \$1.2 billion; loan authority for loan guarantees is \$50 million and loan subsidy levels for loan guarantees are \$355,000 in FY2014. FY2014 annual appropriations provided \$345.5 million for water and waste disposal grants. While most of these funds are provided for assisting with rural community water and waste systems broadly, those systems affected by drought may receive a priority. Funding also may be provided through reprogramming and emergency supplemental funding.

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<sup>19</sup> For CRS assistance with RUS, contact Tadlock Cowan, Analyst in Natural Resources and Rural Development, 7-7600.

## **Rural Utilities Service: Emergency Community Water Assistance Grants<sup>20</sup>**

### *Form of Assistance, Condition of Assistance, and Eligibility Requirements*

RUS administers emergency and imminent community water assistance grants.<sup>21</sup> Eligible communities must face an emergency or a significant decline in quantity or quality of drinking water to apply. Grants can be made in rural areas and for cities or towns with a population of 10,000 or less, where the median household income is less than or equal to the state's non-metropolitan median household income. Eligible entities include most public bodies (e.g., state and local governmental entities), nonprofit corporations, and federally recognized Tribes serving rural areas. Privately owned wells are not eligible. Grants may cover 100% of project costs. Grants for projects where a significant decline in quantity or quality of water occurred within the last two years may not exceed \$500,000 and grants for emergency repairs and replacement of facilities on existing systems may not exceed \$150,000.

### *Required Approvals and Application and Selection Provision*

Grants are only given for communities facing actual or imminent drinking water shortages. Applicants must submit an application, which then enters a nationally competitive process that evaluates the severity of the actual or imminent decline. The Secretary of Agriculture will act on all applications within 60 days of their submission to the extent practicable.

### *Authority and Appropriations*

Assistance can be provided under the authority of Section 306A of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926a). At least 50% of funds provided annually must benefit rural communities with populations less than 3,000. The program is authorized for appropriations of \$35 million annually in FY2014 through FY2018.

For FY2014, the program was appropriated no funds. In February 2014, it was announced that the program would receive \$3 million in reprogrammed funds in FY2013 to be made available for California's rural communities (less than 10,000 residents with a median household income less than \$62,883).<sup>22</sup> Additional funds often become available through reprogramming and may become available through supplemental appropriations.

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<sup>20</sup> For CRS assistance with RUS, contact Tadlock Cowan, Analyst in Natural Resources and Rural Development, 7-7600.

<sup>21</sup> Additional information is available at the USDA website <http://www.rurdev.usda.gov/UWP-ecwag.htm>.

<sup>22</sup> USDA, "Emergency Community Water Assistance Grants," press release, February 14, 2014, [http://www.usda.gov/wps/portal/usda/usdahome?navid=DISASTER\\_ASSISTANCE](http://www.usda.gov/wps/portal/usda/usdahome?navid=DISASTER_ASSISTANCE).

## **Rural Utilities Service: Household Water Well System Grants<sup>23</sup>**

### *Form of Assistance, Condition of Assistance, and Eligibility Requirements*

RUS provides grants to nonprofit organizations for lending programs to refurbish household water well systems in rural areas; loans are to be made to individuals with low or moderate incomes. Eligible individuals include members of households in which members have a combined income at or below the median non-metropolitan household income for the state or territory in which the individual resides, according to the most recent United States census. Loans made with grant funds must not exceed \$11,000 per water well system and must have an interest rate of 1%. Financed facilities will not be inconsistent with any development plans of the state, multi-jurisdictional area, county, or municipality in which the proposed project is located.

### *Required Approvals and Application and Selection Provision*

Nonprofit organizations must demonstrate expertise in well-water systems. Grants are determined by the Secretary of Agriculture.

### *Authority and Appropriations*

This assistance can be provided under the authority of Section 6012 of the 2002 farm bill (P.L. 107-171) and Section 306D of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1926e).

For FY2014, the program has been appropriated \$993,000.

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<sup>23</sup> For CRS assistance with RUS, contact Tadlock Cowan, Analyst in Natural Resources and Rural Development, 7-7600.

## **Bureau of Reclamation: Reclamation RSEDR Activities to Mitigate Drought Losses and Damage<sup>24</sup>**

### *Form of Assistance, Conditions of Assistance, and Eligibility Requirements*

The Reclamation States Emergency Drought Relief (RSEDR) Act authorizes the Commissioner of the Bureau of Reclamation to undertake (or contract for) construction, management, and conservation activities that mitigate losses and damages resulting from drought conditions.<sup>25</sup> Costs incurred by Reclamation are non-reimbursable (i.e., 100% federal). Construction activities are limited to temporary facilities, except certain wells to reduce losses and damages from drought can be permanent. Activities may occur within or outside of authorized Reclamation project areas. Eligible entities are water users,<sup>26</sup> tribes, and local entities in the 17 Reclamation states<sup>27</sup> and Hawaii.

### *Required Approvals and Application and Selection Processes*

An eligible entity can apply for assistance if (1) the Secretary of the Interior has approved a request for RSEDR assistance by a governor or tribal governing body or (2) the state or tribe has a drought contingency plan that has been approved by Reclamation and transmitted to Congress.<sup>28</sup> Eligible entities can request Reclamation's assistance through the area, regional, or Commissioner's Office. The Regional Office Drought Coordinators prioritize requests; Reclamation's Drought Coordinator approves or disapproves requests based on congressional direction, available funding, need, and compliance with environmental laws. The Regional Director can provide the assistance in compliance with state and federal law.

### *Authority and Appropriations*

These activities are authorized under the Reclamation States Emergency Drought Relief Act of 1991, as amended (43 U.S.C. 2221). P.L. 113-76 extended the authority through September 30, 2017. The authorization of appropriations (43 U.S.C. 2241) for this assistance fell under the broader Reclamation States Emergency Drought Relief activities, which was \$90 million for the period FY2006 through FY2012.

As of mid-February 2014, RSEDR activities had received \$0.5 million in appropriations for FY2014.

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<sup>24</sup> For CRS assistance with Reclamation, contact Betsy A. Cody, Specialist in Natural Resources, 7-7229.

<sup>25</sup> For additional information, see <http://www.usbr.gov/drought/>.

<sup>26</sup> "Water users" was not defined in statute. The agency has indicated that eligible entities include municipalities and water districts. While water users that are Reclamation water contractors receive some preference, other water users are also eligible.

<sup>27</sup> See footnote 7 for a list of these states.

<sup>28</sup> Entities with approved contingency plans include the Hopi Tribe, Hualapai Tribe, and Navajo Nation; the states of Hawaii, New Mexico, and Utah; and San Juan County, Utah.

## **Army Corps Assistance: Provision of Emergency Drinking Water**

### ***Form of Assistance, Condition of Assistance, and Eligibility Requirements***

The U.S. Army Corps of Engineers can construct wells and transport water to provide emergency drinking water during drought conditions.<sup>29</sup> Corps assistance is provided only to meet minimum public health and welfare requirements in the immediate future that cannot be met by state or local actions or through reasonable conservation measures.<sup>30</sup> Transport expenses are non-reimbursable expenses (i.e., 100% federal); the purchase or acquisition of the water and the storage facility at the terminal point and permanent water facilities are reimbursable expenses. This authority cannot be used for the provision of water for livestock, irrigation, recreation, or commercial/industrial use. Eligible entities are limited to drought-distressed political subdivisions, farmers, and ranchers.

### ***Required Approvals and Application and Selection Provision***

A governor, his/her representative, or the governing body of a tribe must make a written request for assistance to the Army Corps of Engineers. The USACE Director of Civil Works or the Assistant Secretary of the Army (Civil Works) makes the determination that an area has an inadequate water supply causing, or is likely to cause, a substantial threat to the health and welfare of the inhabitants of the area. If an applicant submits a request directly to USACE, the submission will be referred to the State Emergency Management Agency or equivalent office.

### ***Authority and Appropriations***

This assistance can be provided under the authority of the Disaster Relief Act of 1974 (33 U.S.C. 701n). Funding is provided through the USACE Flood Control and Coastal Emergencies Account, which often receives some appropriations through annual Energy and Water Appropriations acts, with the majority of its funds through supplemental appropriations. The Corps has authority to reprogram its civil works funds to accomplish work under this authority. In many years, the Corps does not use this authority. The Corps most often uses this authority to assist tribes with emergency drinking water issues.

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<sup>29</sup> For additional information, see <http://www.usace.army.mil/Missions/EmergencyOperations/Drought.aspx> and Chapter 6 of USACE, Engineer Regulation, ER 500-1-1, Emergency Employment of Army and Other Resources, available at [http://140.194.76.129/publications/eng-regs/ER\\_500-1-1/toc.htm](http://140.194.76.129/publications/eng-regs/ER_500-1-1/toc.htm).

<sup>30</sup> The Corps provision of emergency drinking water assistance for drought-impacts areas has been limited. Most of the Corps assistance under this authority during the 2000s was to assist Indian tribes (e.g., tribes in North Dakota in 2002/2004, and Navajo Nation tribes in Arizona in 2002, and Kickapoo tribe in Kansas in 2000).

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